

# NEW FRONTIERS

• PERIODICAL STUDIES IN ECONOMICS AND POLITICS •

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## DOES NORWEGIAN LABOR SEEK THE MIDDLE WAY?

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By FINN MOE

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## DOES NORWEGIAN LABOR SEEK THE MIDDLE WAY?

*By* FINN MOE

FOREIGN EDITOR OF THE "ARBEIDERBLADET," EDITOR OF THE  
"MONTHLY REVIEW"; FORMER VICE PRESIDENT OF  
THE NORWEGIAN YOUTH ORGANIZATION

*Edited by* ELSIE GLÜCK

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## AUTHOR'S FOREWORD

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IN THE United States today there is much interest in the evolution in the Scandinavian countries. Not without reason. The progress of Scandinavian labor is certainly one of the most hopeful signs in Europe today.

But many of the books and pamphlets about the Scandinavian countries are based upon a series of illusions. This pamphlet is an attempt to give what the author believes to be a more correct picture of the situation. It was written during the author's stay in the United States and is therefore not as complete as it should have been, the author not having access to many important sources of material. It might however be useful to some of those who are engaged in the historic and hopeful battle for the freedom of the American working people now going on.

The pamphlet naturally gives only the author's point of view and cannot be considered as a statement by the Norwegian Labor Party of its policy.

I am indebted to Miss Elsie Glueck, who has edited the manuscript and made many very useful suggestions.

I acknowledge with gratitude the publication by the L.I.D. of this pamphlet and I will not let this occasion pass without expressing my sincere gratitude to all those who have assisted me during my stay in the United States, especially the Executive Secretary of the L.I.D., Miss Mary Fox.

FINN MOE

*The Editorial Board of NEW FRONTIERS is very grateful to Mr. Finn Moe for his fine contribution to the L.I.D. research series. This particular study is part of a special group of pamphlets dealing with labor and politics. The question of the relation of the labor movement to other groups in society in its struggle for power has been dealt with*



*in two other issues of NEW FRONTIERS—TRADE UNIONISM AND POLITICS IN EUROPE by Dr. Franz Neuman and FOLKSOCIALISM by P. Sering. The brilliant, theoretical approach of these two pamphlets to certain basic problems is supplemented by this fine presentation of the history of the Labor Party which has developed through many inner struggles into an integrated, purposeful party. It has offered leadership and a program to all workers and farmers in Norway which command their respect and support.*

## INTRODUCTION

THE significance of Mr. Moe's, "Does Norwegian Labor Seek the Middle Way?" is that it is the first comprehensive analysis of social developments in the Scandinavian countries written for the American public by a Scandinavian who is himself part of the powerful Norwegian labor movement.\* Moreover, the author's visit to the United States has enabled him to recognize both the widespread extent of American interest in the "Middle Way" and, at the same time, the outstanding features of our own economic and political situation. He has wisely refrained, it is true, from drawing any conclusions for the American scene on the basis of his experience and his visit, but the thoughtful reader, informed as to the development of the American labor movement, can find a basis on which to draw his own parallels and conclusions.

The American interest in the Scandinavian scene has its constructive aspects, despite the illusions to which Mr. Moe calls attention. It is indicative, implicitly, of a widespread recognition in the United States of the need for far-reaching changes in the American political and economic scene. Since the first publication of Marquis Child's "Sweden, the Middle Way," many changes have taken place in the United States: the far-flung and militant campaign of the C.I.O., the formation of the Labor's Non-Partisan League, the turn-about in the Supreme Court decisions—to mention only the most obvious instances. During the same period, reactionary and fascist forces have not been dormant, even though their appeal to wide numbers is in part dampened by the temporary upward swing in economic conditions. Certainly, an increasingly larger number of Americans, especially within the labor movement, are acutely aware of the need for reaching certain elements in the urban middle classes and among the farm population, if these gains are to be kept and further progress made. (A beginning

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\* It is significant that it was impossible to find, in English, an adequate bibliography on the Scandinavian labor movement.

has been made in the campaign to organize white collar and professional employees, and in the formation of labor unions among agricultural wage-earners and among tenant-farmers and sharecroppers.) But on the question of how to coordinate these groups politically, and with what program and tactics, there is much discussion and sharp differences in various sectors of the labor movement. On this question, the experience and conclusions of the Norwegian labor movement are of more than academic interest.

ELSIE GLÜCK



## Does Norwegian Labor Seek the Middle Way?

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**M**ANY Americans are now pointing to the Scandinavian countries as nations that have found a middle way between the fascist and communist dictatorships. With the help of recognized trade unions, cooperatives, social legislation and public ownership, they are declaring that capitalism, as the Scandinavian countries indicate, can be made into a well-working system, wherein social welfare is advanced.

Scandinavian labor agrees with those admirers of Scandinavia who declare that social change is possible without a type of proletarian dictatorship now found in the Soviet Union. But Scandinavian labor does not believe that it is possible to create a just and happy society on a capitalist basis. It is convinced that the only solution to the social problems lies in the social ownership and operation of basic industries by a strong labor government as the starting point for a transformation of an economic system wherein goods are produced for profit, into a social order where goods are produced for use.

It is a curious fact that the authors who have recently written about the Scandinavian countries have failed to discover that the Scandinavians themselves lay no claim, as yet, to having found a "way out." On the contrary, the Scandinavian people are discussing today as eagerly as are the people in America, how best to avoid future depressions and to bring about the necessary reforms in the structure of society. Indeed, the belief that "something has to be done" dominates the thinking of Scandinavian life today. The existence of this conviction constitutes the only explanation of the present unrest in all the political parties in Scandinavia and the fluctuations in the whole political situation. Recently the pendulum has swung definitely in the direction of socialist-labor parties. This swing has been evidenced in all Scandinavian elections of recent years. If the masses were not convinced that "something had to be done," this very great shift to the left would not have taken place. Within the political parties themselves, both right and left, the unrest is particularly striking among the younger generation. In Sweden the conservative youth movement, "The National Youth Organization of

Sweden," has split away from the Conservative Party. In the last election it functioned as an independent fascist party. In Norway the Liberal Party's left wing, which represents for the most part, the younger generation, violently criticizes the conservative policy followed by the party leadership and favors collaboration with the Labor Party.

But the most striking feature of the unrest in Scandinavian political life is, without doubt, the evolution of the farmers from a conservative to a radical and mildly pro-socialist element. This evolution is most striking in Norway. Whereas ten years ago the Farmers' Party in this country was violently anti-labor and had strong fascist sympathies, it now supports the Labor Government.

The best proof of the fact that the so called "middle way" does not provide "the way out," is that no Scandinavian labor leader can be found who would be willing to assert that no danger of fascism exists in the Scandinavian countries today. All such leaders would, indeed, maintain that fascism at the moment is actually very weak, and that it will have little chance of success as long as the labor governments can carry on their present policy. But they would contend that the fascist menace has by no means disappeared. For as long as the capitalist system exists, there will always be the danger that the capitalists will endeavor to overthrow the democratic regime with a view of protecting their interests.

Though the Scandinavian countries have not found "the way out" as yet, they are, as many have recently pointed out, very far advanced on the road of social reform. The feeling of social solidarity and social responsibility is much more developed than in the United States where the dominating conception is—or at least has been—one of ruthless individualism. The government's right to intervene in economic affairs is widely acknowledged. Few Scandinavian capitalists today are willing to argue that the telegraph service should be run by private capital, though they may be counted upon to oppose further extension of public ownership. In Scandinavia it is universally recognized that the government has a wide range of obligations in relation to its citizens. For years it has been taken for granted that it is the duty of the government to take care of the old, the unemployed and the invalided. The result is that in the Scandinavian governments the system of social legislation is highly developed.



The Scandinavian capitalist class has recognized that as long as political democracy exists, it is better for capital and labor to deal with each other on an organized basis. Therefore the conflicts between labor and capital do not take such violent forms as in the United States. But that does not mean that the basic conflict between labor and capital is not as strong in the Scandinavian countries as in America. Thus, the most powerful Norwegian conservative newspaper *Aftenposten* has stated that if the conservatives have to choose between a fascist and a communist dictatorship, they prefer the fascist dictatorship.

As a result of the advances in collective action, it is probably a fact that the average standard of living of the people is somewhat higher in the Scandinavian countries than in any other European country. It is certain that Sweden and the other Scandinavian countries have fought the depression with more success than have other countries. It is certain that the worker is not exploited to the same degree as in the United States. It is certain that the consumer is more protected than in other countries.

But a study of the Scandinavian countries will soon disclose that the fundamental problems are not solved; that these countries also are the victims of the evils of the capitalist system, though to a lesser degree than in the United States. These evils are: the unequal distribution of income, the economic dictatorship of a small minority, and the danger of new depressions.

Take the question of the unequal distribution of income. The incomes of about 894,000 of the two million people of Norway 15 years of age and over are known. Of these, 637 have an annual income of more than 50,000 crowns. At the other extreme of the economic ladder, there are 488,000 persons who earn less than 1500 crowns annually. 855,000 of the 894,000 whose names are known, have an annual income of less than 7,000 crowns. The bulk of the population is thus found in the lower income groups, the lowest classes being by far the largest: 115,000 earn less than 400 crowns; 232,000 earn between 500 and 900, and 141,000 earn between 1000 and 1400 crowns a year.\*

Or to put it in another way: 3 per cent of the people earn 21.2 per cent of the whole national income. The average income of various eco-

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\*The crown is valued at present writing at 24.8 cents.



nomic groups has been calculated by the Bureau of Statistics as follows: among the non-proletarians, the average annual income of a ship-owner is 35,600 crowns; of an industrial manager 12,783; of a factory owner 8,966. Amongst wage-earners, the average income of an agricultural worker is 810; of a fisherman, 751; and of an industrial wage worker, about 1500 crowns.

In Sweden, according to the official statistics of tax returns, 80 per cent of those who pay taxes—and that includes the great majority of the adult population—earn 51.7 per cent of the national income. Ten per cent receive 33.2 per cent, and finally 1 per cent receive 15.1 per cent of the national income.

For those who believe that the Scandinavian people really govern their countries, it is very interesting to study the pamphlet, *The Power of Great Finance*, written by one of the financial experts of the Swedish Social Democratic parliamentary group, Frans Severin, and published in 1936. The pamphlet gives an analysis of the capitalistic monopoly of the essentials of life in Sweden. This analysis holds substantially true for Norway as well.

Severin begins by showing that the old liberalist ideal of free competition no longer exists. In 1933, the four greatest Swedish banks controlled 64 per cent of the total banking operations in Sweden, and about two-thirds of the capital in all the Swedish commercial banks. Then he goes on to enumerate the power over all fields of economic life of the little groups of persons who constitute the leaders of these four banks. In 1933, there were 58 directors and members of the Board of Directors of these four banks. These 58 persons sat on the Boards of Directors of 394 corporations, including the banks themselves. Severin estimates from the available data that these 58 financiers and industrialists control somewhat more than one-half of the national wealth.

Socialists in Sweden, in Denmark and in Norway do not believe their countries have found a "middle way"; they do not believe that a compromise between capitalism and socialism is possible. They do not believe that the mere existence of strong trade-unions and co-operatives within the framework of a capitalistic society makes that society eliminate exploitation and brings about social justice and maximum happiness to the masses. They, however, do everything possible to strengthen the labor, the cooperative and similar move-

ments. For they are convinced that the stronger the labor movement, the more powerful the cooperatives, the more municipal and state control and ownership the workers can obtain, the nearer the day when the socialists can obtain complete control of the economic life of the nation and lay the foundation for a socialist society.

The Scandinavian labor and socialist parties are thus rightfully very proud of what they have done and are eager to carry on. The labor governments believe that their policy constitutes the best way to win the masses for socialism, the best means to prepare the ground for socialism.

The Scandinavian masses are joining the socialist labor parties in constantly increasing numbers. These parties hope soon to have the majority necessary to permit them to substitute for the present system an economic and social system in which the people really govern.

Norway, the country chosen here for special study is, in terms of population, the smallest of the three major Scandinavian nations. I am discussing Norway partly because I can speak with greatest familiarity about this, my native country, and partly because social developments in Norway have on the whole been less publicized than have those in Sweden and in Denmark.

I feel that social developments in Norway should be of special interest to an American audience. On an infinitely smaller scale, this country reproduces some of the conditions to be found in the United States which are usually said to prevent the development of class consciousness.

Comparatively speaking, Norway is a sparsely populated country. The occupational divisions of the people in 1930 corresponded in an amazing way to those of the American people in 1930. The agricultural element in Norway, as in the United States, accounted for between 25 per cent and 30 per cent of the total gainfully employed, with the other subdivision in industry roughly the same. Its first labor movement in the 1840's, like the American labor movement of the same period, drew for its strength to a great extent on independent artisans and on the less prosperous farm element. The Norwegian labor movement, felt in the pre-World War period the influence of the I.W.W. philosophy. In the post-war period, the Norwegian socialist movement took a left-wing position, with the result that the ele-

ment most akin to the German and Swedish social democratic movements, withdrew its own federation from the main body of Norwegian labor for a time.

The differences, of course, between Norway and the United States, are as great, if not greater, than their likenesses. But for those in the United States who are confronted with the task of bringing the agricultural groups into the labor movement as a basic condition of the struggle for power, the amazing and perhaps unique success of the Norwegian Labor Party in attracting to itself this element is of no small significance.

Norway is, in the nature of the case, closest to Sweden and Denmark and much of what is here written about the general trend in Norway—the struggle with the depression, the progress of social legislation and the Labor Government, the struggle against fascism and the outlook for the future, not along the Middle Way, but along the path of socialism,—holds, with modifications, for all the Scandinavian countries.

### *Norway—The Country and Its People*

NORWAY forms the northern and western part of the Scandinavian peninsula. Its area of about 322,000 square kilometres is as large as the states of Texas and Oklahoma together. Norway's population is 2,814,000. Since this is only slightly above the population of Oklahoma, it is apparent that this Scandinavian country is very sparsely populated. (Denmark, with 44,300 square kilometres has a population of 3,600,000). About two millions of the population live in rural districts, less than a third in the towns.

The Constitution of 1814 provided, as did the American and Swedish constitutions, for a division of powers between the executive and the legislative. The executive power is vested in the King, who originally had the right to choose his own ministers. Power to legislate and impose taxes was vested in a parliament, the Storting. The King could only propose measures and exercised merely a suspensive veto. He had no right to dissolve the legislature which was elected triennially.

In Norway, as in other countries which adopted constitutional de-



mocracies during the 19th century, this democracy was in fact greatly limited. Originally, the Storting met only two months in every three years. Suffrage was restricted to property owners. The Storting was divided into two chambers, and provisions were made that constitutional changes could be inaugurated only after a general election. Beginning with 1869, the Storting met annually. In 1884, despite the veto of the King, a system of true parliamentarianism was inaugurated under which the King was obliged to appoint ministers who were acceptable to parliament. At the turn of the century, democracy gained its final victories in universal and free suffrage, national and municipal. Thus it can be said that political power is formally vested in the people.

In the economic field, however, economic individualism, expressed in the slogan, "laissez-faire," "laissez passer," prevailed up to almost the end of the 19th century. This was due to a number of causes. Norway's industrial development did not begin until the beginning of the present century, mainly through the development of its unusual water-power facilities. During the 19th century, most of its people's energy was absorbed in the struggle for political independence and parliamentary democracy, and in this struggle the Liberal Party took the lead.

### *The Labor and Cooperative Movement in the 19th Century*

**B**UT even as far back as 1840, we find the beginnings of a labor movement. And since the 1880's, when there began discussion among some of the prominent governmental leaders of the need of governmental intervention in the economic field, one decree after another has been promulgated by the government, regulating economic affairs and conditions of work. The explanation of these phenomena we find in the character and role of the farm population in Norway. Although only a small part of the total land area is cultivated or tillable, agriculture is still the largest single economic activity in the country. The bulk of the Norwegian farmers, once under the semi-feudal cotter system, are now freeholders, largely because of the agrarian legislation of the government, enacted under the pressure of the farmer element. The rise of the farmers from a class subjugated by the bureaucracy, to a strong, independent and dominating

political force, is indeed the outstanding characteristic of Norway's history in the last century.

Farm laborers, cottagers and small farmers formed the backbone, in fact, of Norway's first labor movement, together with workers in the saw-mills, lumber yards and the handicraftsmen. The founder of this pre-industrial labor movement was Marcus Thrane (1817-90). Thrane, an unemployed schoolmaster, became a radical journalist in 1848, the historic year of the great European radical and liberal movement, and was influenced by the ideas of the utopians and socialists. In the course of a year and a half he organized a national union said to consist of almost 300 associations and 20,000 members. He himself was arrested and sentenced to a long term of imprisonment for revolutionary propaganda. During his imprisonment, the movement gradually died. After his release, Thrane emigrated in 1883 to the United States, where he worked as a photographer and also engaged in radical journalistic activities.

Many of the reforms for which he and his movement pressed were later taken up by the Liberal Party, which also led the fight for national independence and which drew to itself the small farmers and tradesmen, the craftsmen and some manual workers. Indeed, until independence was gained in 1905, the Liberal Party was the party of social reform.

A labor movement, in the modern sense of the word, could not develop until the growth of industrialism. The industrialization of Norway did not begin until the birth of the present century. The first trade unions in the country were formed in the seventies of the last century. In the next decade, in 1887, a political labor party, the Norske Arbeiderparti, was formed. This labor party did not, at the outset, commit itself to a socialist program. For a time the Labor Party performed some of the functions of a trade union federation. In 1899, however, the National Federation of Trade Unions was founded as the joint organization of all the trade unions in the country, and since that time the economic and the political aspects of the movement have been carried on by two separate organizations, which however, have cooperated closely one with the other.

During this period trade union organizations of the three Scandinavian countries and Finland maintained close relations in an inter-Scandinavian Labor Congress which was formed in 1886.

The nineteenth century, witnessed the development of another working class movement of importance—the consumers' cooperative movement. The first attempt at consumers' cooperation in Norway was made as early as 1850. Some ten years later a fully organized consumers' cooperative movement was inaugurated. This movement met with instant success. In 1877 it comprised 275 societies with total shares of 8.2 million kroner (\$2,050,000). Trade depression in the decade following caused a serious setback, but the decline was arrested in the nineties and reorganization began.

*The Labor Movement in the Industrial Era: From Reformism  
to Radical Unity*

FOLLOWING the turn of the century, and the coming of political independence, Norway went through a period of very rapid industrialization. The number of factory workers grew from 81,000 in 1905 to 163,000 in 1916. The number of joint stock companies increased from 1,900 to 2,900.

Today the principal economic activities besides agriculture are manufacturing, shipping and fishing. The fisheries, the greater part of whose yield is exported, give employment to more than 100,000.

The Norwegian merchant marine is the fourth largest in the world. Approximately one-tenth of the tonnage is employed in regular trade along the Norwegian coast and in the fishing country, one-fifth in trade between Norway and foreign ports, and the remainder, about seven-tenths, in freight trade between foreign countries.

The export trades include two of Norway's oldest industries, mining and wood manufactures. In the last thirty years a new export industry, the electro-chemical and electro-metallurgical, has grown to large dimensions, since Norway possesses exceptional natural facilities for the production and exploitation of large volumes of hydro-electric power. According to expert computations, the total volume of water-power exceeds 12 million kilowatts.

Home industries too have reached a high stage of development and have assisted in rendering Norway independent of foreign markets. These manufactures mainly comprise articles of clothing, textiles, foods, drinks and tobacco. There are also substantial engineering



works. According to the census of 1930, the occupations of the people of Norway were as follows:

Agriculture, horticulture and forestry .....	29.8	per cent
Fishing and hunting .....	7.0	" "
Manufacture, mining, handicraft .....	27.5	" "
Commerce .....	10.1	" "
Shipping, transport .....	9.7	" "
Professional .....	5.5	" "
Rentiers .....	3.6	" "
Others .....	6.8	" "

### *Public Ownership*

NATIONAL and municipal ownership is very highly developed in Norway. From the very beginning, the national government has built and operated practically every mile of the railway system. The government owns extensive forest areas, some of the principal waterfalls and mines, the postal service and the telegraph and telephone lines. A number of municipalities, and, to some extent, the national government, own and operate a large number of electrical undertakings, water-works, gas-plants, street railways, motion picture theatres, and other services.

### *Trade Unions and Politics*

THE industrialization of Norway during the first years of the century was paralleled by a rapid growth of the labor movement. The membership of the National Federation of Labor grew from 47,000 in 1910 to 77,000 in 1915 and 142,000 in 1920.

Even more astonishing was the rise of the political labor party. After the fight for independence was won, the Liberal Party became more and more conservative. It ceased to initiate new programs of social and political reforms. The Labor Party began to draw to itself the wage workers, many farmers, the fishermen and artisans. The workers secured their first seats in the Storting in 1903. Five seats were captured, all by the radical fishermen and small farmers in the northern provinces. (The fishermen were and are still oppressed by the merchant creditors.) As the years passed by, labor captured more and more seats. The Party progressed steadily until 1918, when, for the first time, it lost an election. In that year, however, its membership

grew to 100,000. After a period of confusion in the 1920's it gained steadily in political strength.

The relationship between the trade union movement and the Labor Party has been, as I have before stated, a close one. The Norwegian trade unions early declared that their aim was a socialist society, and the party was — (and still is) — built up with the trade unions as its principal basis. It differs, however, from the British Labor Party in that the trade unions are affiliated with it, not through their national bodies, but through the affiliations.

In the period prior to the World War, the Norwegian labor movement concentrated on the simple fundamentals of collective bargaining and improving the conditions of labor. As early as 1900 there had been formed an employers' organization which, from the beginning expressed its willingness to enter into collective agreements. After 1905, such collective or trade agreements rapidly increased. And, by a law of 1915, these agreements received legal sanction. During this period the trade unions and the political labor party were led by very able and sincere socialists, who were, however, reformist in their outlook and in their policy.

About 1911 and 1912 an opposition movement began to crystallize. In the Labor Party, the opposition centered in the youth movement, and, in the trade unions, in the so-called "trade union opposition." The political opposition favored the ideas of Rosa Luxemburg, Keir Hardie, and others of the left wing in the international labor movement.

It is necessary here to deal at some length with the opposition in the trade union movement led by Martin Tranmael, the actual leader of the most outstanding laborites in Europe today. That the Norwegian labor movement is as strong, united and radical as it is, is primarily due to his far-sighted and clever leadership, together with the influence of the young and vigorous president of the party, Oscar Torp.

Before the war, Tranmael spent several years in the United States. Here he joined the I.W.W. He returned to Norway with his syndicalist ideas and at once started the fight against the old trade union leadership. He was not so violently anti-parliamentarian as most syndicalists. He believed that workers should participate in elections and should try to make the most out of their parliamentary activity. But

he did not believe that a change of society could be brought about through parliamentary means.

He stressed much more the practical sides of syndicalism and made these immediate aims, together with an extreme anti-militarism, the principal issues of the opposition. He urged the trade unions to develop a more militant fighting spirit and to utilize various types of sabotage, as well as the strike, in their fight against the employers. The chief plank in his program, however, was one for industrial unionism. The arguments advanced by him in favor of industrial unionism were substantially the same as those which are now being heard in America. But in urging the change from craft to industrial unionism, Tranmael always stressed the point that it is more important to fight for the freedom and the advancement of the whole working class than for the interests of a limited group of workers. Tranmael was predisposed to accept syndicalist ideas because they were radical and because he wanted action. That was the state of mind of the whole younger generation which joined the opposition.

As the opposition grew in influence, it was able to put through more and more of its program. The trade union movement was not split on the issue of industrial unionism, but as a matter of fact, it was only in the years after the World War, that the movement was reorganized along industrial lines. Even today, the question of craft versus industrial unions is vigorously discussed at the conventions of the National Federation, as two or three of the old craft unions have preferred to leave the Federation rather than to join industrial unions.

Contrary to the situation in many other countries, the opposition in Norway became a majority in the Labor Party in 1918, even before the formation of the Communist International, making the trade union movement one of the most radical in Europe, as was also the political wing of the labor movement.

### *Why Norwegian Labor is Radical*

SEVERAL forces have combined to make the Norwegians in general more radical than their neighbors in Sweden or Denmark. The chief reason for their radicalism may be found in the character of the economic development of the country. As has been before stated, no real development toward industrialization began in



Norway until 1900, twenty years later than in Sweden and Denmark. Following 1905 the progress was extremely rapid. In order to obtain the necessary labor force required for manufacturing, industry had to go to the farm. The Norwegian farmer is, in general, a strong individualist in the sense that he does not like to take orders. He wants to be able to dispose freely of his labor and he resented the discipline in the factories. He became a rebel.

The fact that so many farmers worked in the factories had another important consequence. After a winter in the factories, many returned in the summer to the farms. They brought back to the countryside the socialist ideas of the labor movement. Socialism began to make great progress in the rural districts. As early as 1903, the Labor Party formulated a farmers' program of a practical nature. In this program the Party stated that it was not its goal to socialize the small farms but to organize agriculture on a cooperative basis. The promulgation of this program led to the election to the Storting of farmers and fishermen from the northern provinces as the Party's first representatives.

In 1918, at a time when enthusiasm ran high for the Russian and German revolutions, the left wing obtained a decisive majority at the National Convention of the Labor Party. The belief of many at that time that a revolution in Norway was certain in the immediate future led the Party to take a rather extreme revolutionary position. Workers' and soldiers' councils were organized all over the country. Little of practical importance resulted from the formation of these councils, aside from the calling of some large strikes, which, however, were only partially successful.

### *The Party Split*

FOR the next few years the right wing remained in the Party. In 1921 however, a split occurred. The formal occasion for this split was the acceptance by the left wing majority of the Moscow thesis of 1920. The real issue, however, was the question of dictatorship versus democracy, of parliamentary and reformist socialism versus revolutionary socialism. The "old guard" minority left the Party and formed the Social Democratic Party of Norway. The majority, the Norwegian Labor Party, joined the Communist International. Following this affiliation, however, a new struggle began, cen-

tering around the famous conditions. The Comintern demanded complete submission of the Labor Party not only in international, but also in national affairs. Many of the orders from Moscow showed an utter ignorance of conditions in Norway and it proved absolutely impossible to put them into practice. The International adopted, many Norwegians felt, an unwise trade union policy, while it centralized too great power in the hands of the executives in Moscow.

These actions of the International led to the development of two groups in the Norwegian Labor Party, one which believed that the Party should subject itself to the complete dictatorship of Moscow and the other that it should not subject itself to the authority of the Third International in national affairs. This struggle ended in 1923 in a new split. The minority representing almost 50 per cent of the membership, split away from the Labor Party and formed the Norwegian Communist Party. During the next few years there developed a period of utter confusion among the workers, a period of bitter struggle between the three labor parties. Today Norwegian labor remembers this period as the most tragic in its history.

In this period of split and confusion, the enemies of labor were not inactive. According to the law of 1915, previously mentioned, not only were trade agreements legally sanctioned but no changes in conditions of work could be made without the workers' approval. It was also illegal for the employers in any way to attempt to intimidate the workers' representatives in their organizational activities. In 1916 there was passed, over the opposition of both the workers and employers, a law allowing the government to resort to compulsory arbitration in conflicts of grave national importance. When the law expired in 1923 it was not renewed, since both the conservative government and the workers' representatives voted against its renewal.

### *Growing Unity*

**I**MMEDIATELY after the split of 1923, the Norwegian Labor Party gained in strength while the Communist Party dwindled in numbers. The Labor Party then initiated a movement for the unity of the working class, which resulted in 1926 in several conferences among the three parties. It soon became clear that the communists would not join a unified party. The Labor Party and the Social Democratic Party decided on a program of unification, and, in January,

1927, effected a unified party at a special convention. One of the moot questions confronting the unified party was that of international affiliation. The Social Democratic Party had been a member of the Second International; the Labor Party, of the Bureau of Independent Socialist Revolutionary Parties which had its seat in Paris. In order to solve this question, it was decided that the unified party should sever its affiliations with all internationals. In 1930 the party rejoined the Bureau of Independent Socialist Revolutionary Parties. In 1935, however, when it became clear that the aim of the Bureau was not to unite the working class but to form a new International, the Party left the Bureau. In the same year, the trade unions, which had, in 1922, left the International Federation of Trade Unions, rejoined that federation.

The effects of the unification and the realization of the struggle with the bourgeois parties was shown in the national election of October, 1927 when the group of labor representatives was almost doubled. This victory resulted in the formation of the first Norwegian labor government, which was in existence, however, for only two weeks, for reasons to be discussed later.

In the next election, that of 1930, although the Party polled the same number of votes as in 1927, the fear of labor's victory on the part of the bourgeois parties led these parties to conduct a campaign of great bitterness against the Labor Party. The result was an increase in the number of bourgeois voters. The Labor Party's representation dropped to 47 and its proportion of total votes to 31 per cent. At the next election, that of 1933, the Labor Party made considerable gains, obtaining 40 per cent of the vote. The story of its career from then on is recounted in the succeeding sections of this pamphlet.

### *The Labor Movement in the Political and Economic Scene Today*

**T**ODAY the trade union membership represents a very high proportion of the organizable wage-earners of Norway's population of about 2,000,000 persons over the age of 15, about 684,000 in 1930 were listed as wage earners. The Federation of Trade Unions has about 220,000 members in about 2700 local unions, combined in 33 national unions.



The unified Labor Party has a membership of about 140,000. At the last election in October of 1936, it polled about 617,000 votes or 42.5 per cent of a total of 1,451,000. Its membership in the Storting is now 70 out of 150 members. The Party, through its publishing company, issues about 50 papers, 26 of which are daily newspapers. The chief organ of the party, *Arbeiderbladet* (in Oslo) is the second largest newspaper in the country. It has a special monthly review dealing with theoretical problems, and a special monthly review for the women's branch of the movement. The youth organization of the party, with about 30,000 members has its own fortnightly papers.

Jointly, the trade union movement and the Party support a number of other organizations. One of these is the Labor Education Organization which has been much developed in recent years. The trade union federation and the Party pay dues for their members, making them eligible to attend the evening classes, the week-end courses, the study circles and the discussion groups organized by the Labor Education Organization. One of the interesting activities of this organization is the making of motion pictures. Another jointly supported movement is the Labor Sports organization, with a membership of 60,000, a membership equal to that of the bourgeois sports league.

Norwegian labor gives vigorous support to the consumers' cooperative movement of the country. It considers the cooperative movement the basis for distribution in a socialist society. It must be made clear, however, that the Norwegian consumers' cooperative movement has no organic connection with the labor movement and has even at times been in conflict with it.

### *The Cooperative Movement*

THE Norwegian cooperative movement is an influential force in working class life. As in other countries, local co-ops were organized years before the wholesale came into existence. The National Cooperative Federation was formed in 1906 as a central wholesale organization for its local organizations. The Federation, based on Rochdale principles, includes both educational and marketing activities. The national federation and some of the local societies also carry on extensive producing activities, including a bake-shop, corn-milling, abattoirs, coffee roasting, the manufacturing of tobacco, soap, margarine, chocolate, boots and shoes, etc. Production

in its own factories accounts for 44.4 per cent of its total trade. The societies have also their own bank and insurance company.

In 1935 the National Cooperative Federation had 497 societies with 138,557 members. In that year, the turnover was 129.7 million Norwegian crowns (\$32,425,000), and the net surplus, 6.5 millions. Out of this surplus 4 million crowns were repaid to members as dividends on purchases, while the remaining 2.5 million were placed in reserve. The members' share capital amounts to 17.3 million. The reserves are 13.8 million. Together they represent 56 per cent of the total of the Societies' balance sheet. The following table shows the composition of the membership of the cooperative societies:

Laborers employed in industry, handicraft, fishing, in the merchant fleet, transport, and business.....	49.2	per cent
Independent farmers .....	26.3	" "
Workers employed in forestry and farming .....	6.2	" "
Master mechanics .....	3.2	" "
Salaried employees .....	11.6	" "
Independent manufacturers, ship-owners and business people, etc. ....	3.5	" "
	<hr/> 100 per cent	

These figures prove that more than 50 per cent of the membership belong to the laboring classes. Despite this fact, the cooperative movement has always refused to collaborate with the Labor Party. The secretary of the Federation states its position in these words:

Our opponents very often accuse the Norwegian cooperation of being political, more precisely, Marxist. This accusation is false. Norwegian cooperation is absolutely neutral, politically. This has been confirmed time and again by our Congresses and is a necessity if we are to secure a close cooperation between the various political shades among our members. We thus have a comparatively large membership among the farmers who are interested cooperators and determined in their demand for strict neutrality. On the whole, our experience has taught us that we must remain neutral. This is not a mere wish, it is a condition necessary for the existence of the Norwegian cooperation.

The fact that we maintain political neutrality does not mean, however, that we will endure anything. Economically we are engaged in a constant struggle with private trade and with the great trusts, and we have to keep close vigil and always be ready to protect the interests of the consumers.

Far from collaboration, there have been in the last years some open conflicts between the cooperative movement and the Labor Party. Thus, the cooperative movement strongly opposed a law proposed by the Labor Party as one of the most important steps toward government control and regulation of industry.

The Labor Party feels that, while the cooperative movement has given the workers cheaper products and has thus contributed to raising their living standards, it has not changed or aimed at a basic change in capitalist society, with its inequality and injustice.

### *Labor and the Farmers*

ONE of the reasons given by the cooperative movement for its "neutrality" is the large proportion of farmers among its membership. But as a matter of fact, as we shall presently show, the Labor Party too has in its ranks many farmers and also cooperates with the Farmers' Party. Actually, Norwegian labor places far greater emphasis on the importance of the cooperative organization of producers as it already exists to a large extent among the farmers and in the fisheries.

We come, therefore, as a next step in our discussion to the role of the farmers in Norway, a matter on which we have already to some extent touched.

Prior to 1920, there were, beside the Labor parties, only the Conservative and the Liberal parties. The role and following of the Liberal Party has already been discussed. To the Conservative Party belonged the employers in agriculture, industry and fishing, and the bankers.

In 1920 the Farmers' Party was formed which had, and still has, a strong hold on the farmers in general. The leadership of this party was with prosperous farmers. At the beginning it was reactionary in its outlook and policies. In fact, in the years 1925-1930, it might be said to have been anti-labor and semi-fascist. But the economic crisis caused a change in its policy. In 1935 it broke with the group of bourgeois parties, which supported the liberal government. The government was then engaged in trying to check the prices of agricultural products. The liberal government was without a majority in the Storting and the break thus led directly to the formation of a labor government.

In the previous section it was pointed out that the Labor Party polled 40 per cent of the votes in 1933. The conservative representatives dropped from 27 per cent to 20 per cent, the liberals from 22 per cent to 18 per cent, and the farmers from 16 per cent to 14 per cent.



Under the circumstances, the Labor Party declared it was entitled to take over the government, but the Liberal Party refused to resign, staying in power from January, 1934, when the new Storting met, to March, 1935.

During this period, the bourgeois parties proposed no measures to deal with the depression except those for the reduction of governmental expenses. The Labor Party, on the contrary, insisted that it was the duty of the state to start public works with a view of absorbing the unemployed and to guarantee adequate prices to the farmers. In the crisis, when the Farmers' Party broke with the bourgeois parties, it promised to support the measures of the Labor Party. In turn the Labor Party promised to support some measures proposed by the Farmers' Party.

As already mentioned, the Labor Party, as far back as 1903, had an agrarian program, involving not the socialization of agriculture, but the promotion of agricultural cooperatives. Today everyone admits that Norwegian agriculture with its small farms and land where the use of machines and the introduction of large-scale production is very difficult, is not fitted for socialization. There are only a few estates large enough to need permanent laborers. Of about 298,000 farms, only 109 are larger than 700 decars\* and only about 20,000 larger than 100 decars. The two largest groups of Norwegian farms are those between 20 and 50 decars, of which there are about 75,000 and 116,000 have less than 10 decars. The last named are not really farms but either dwellings with a large garden or plots belonging to wage earners.

The farmers are in many respects well organized. They have their cooperative dairies, egg marketing and fruit growers' societies and cooperative sales-organizations for pigs and sheep as well as cooperative purchasing societies. The Labor government has done much to build up more of these cooperatives and has tried to introduce an increasing amount of regulation and control in the whole field of agriculture. Some of these cooperative organizations—especially those for the sale of milk—have been organized with the help of the government, and the farmers are forced by law to belong to them.

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\*A decar is equal to one-fourth of an acre.

Agriculture is, however, far from being organized on a completely cooperative basis.

For the last several decades, numerous government banks formed to extend credit to the farmers have been in existence. There is a land loan bank, which extends loans at a low rate. There are banking agencies from which the tenant farmers and the workers in rural districts can secure money to buy land or to build homes. Finally, there is a banking institute for the fishermen where credit is extended for the purchase of boats. All these banks are managed by the government and are outside the profit system.

### *Fascism in Norway*

MANY of these measures for the farmers have been enacted as a result of labor-farmer collaboration. This type of co-operation has had still another important result. It has eliminated the economic basis for the fascist movement in Norway. In the years following the World War, there were many small fascist or semi-fascist organizations. It was not, however, until 1933 that a real fascist party was founded.\* This party gained a following, especially among the college and university students and white collar workers. It sought, as a necessary mass base, a following among the farmers, but this it was unable to achieve because of the close relationship between the Labor government and the farmers. At the present time, the fascist elements get little support from among the farmers of Norway. The fascist party polled only 1.79 per cent of the votes in 1936 as compared with 2.23 per cent in 1933. Their loss was heaviest in the rural districts.

### *Labor's Road to Power*

THE present policy of the Labor government has been determined largely by its experiences since 1928, and especially during the depression. When, in 1927, the Labor party polled so large a vote, it was asked by the King to form the government, and accepted the proffered responsibility. Originally, the Liberal Party, which was the next largest group in the Storting, did not plan to

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\*Nasjonal Samling (National Unity).

move against the Labor government immediately. But early in 1928, one of the most powerful of the Norwegian banks was in difficulties and appealed to the government for help. The form of help it asked for could not, the Labor government felt, be given. The bankers brought pressure successfully on the Liberal Party, in collaboration with the Conservatives and the Farmers' Party, to vote against the Labor government and within a fortnight the Labor government resigned.

This experience clearly demonstrated the influence of the financial interests on the bourgeois parties, the Liberal as well as the Conservative. It strengthened the revolutionary feeling of the Labor Party and it increased its belief of the great difficulty of bringing about genuine change through parliamentary procedure.

In 1930, the Party Convention adopted a resolution to the effect that the Labor Party should not assume government without an assurance of its ability to adopt an independent policy and make essential steps in a socialist direction, in other words, without a parliamentary majority.

However, after the great victory at the polls in 1933, the party was so eager to take over the government that it issued a statement, in which it asked the Liberal government to retire, the elections having proved that the country desired a Labor government. The Liberal government refused, and only a year and a half later, with the breaking away of the Farmers' Party from the bourgeois coalition, did the Labor Party take over the reins of government.

This change in attitude was not the result of mere opportunism. It was the result of a thoroughgoing analysis of the whole position of the labor movement not only in Norway but in the world. This was the time when the depression was at its height, when democratic government in Germany had been overthrown and when the fascist movement presented an increasing threat. The experience the labor movement had in this period could not be without a profound influence upon its policy. The result was that many old ideas were discarded, and new ideas adopted.

In order to understand the policy of the labor movement as well in Norway as in Sweden and Denmark, it is necessary to analyze the change in outlook which has taken place in the last ten years. Such



an analysis shows at the same time some of the basic ideas in the Norwegian and Scandinavian labor policy:

1. *Labor and the Depression.* In many parts of the world, radicals have often proclaimed that, if we only have a depression, workers will be prevailed upon to organize. The Norwegian labor movement long ago rejected the idea that the labor movement grows stronger in a period of increased economic misery. The experience of the World War clearly showed that so-called prosperous times strengthened the labor movement and increased the fighting spirit. Contrariwise, actual experience during a depression indicates that it is not only very difficult to conduct successful strikes, but that the organized workers are less willing to fight, as they are constantly afraid of losing their jobs. The best and most bitter proof of how depressed economic conditions weaken the labor movement was produced during the insurrection in Austria in February, 1934, when the members of the strongest and most valiant union in Austria, the railway-workers, failed to follow the order of the union and refused to strike.

Furthermore, depressions create the danger if not of a split, then of a clear cleavage within the labor movement itself, with the employed on one side and the unemployed on the other.

Many are of the opinion that the mass of the unemployed can be induced in an economic crisis to take an active part in fighting capitalism. It is easy to prove that unemployment is the result of the capitalist system and that, in order to get rid of it, one must fight capitalism. The man without a job, who lives on a reduced living standard, and feels that some of his best working years are passing away in idleness, is usually not interested, however, in looking at the problem from a theoretical point of view. All his thoughts focus on the single thought: *to get a job now*. For this reason, Norwegian labor leaders have come to the conclusion that the labor movement should spend much of its energy in fighting economic depressions.

2. *The Fascist Danger.* Our labor leaders conduct a frontal attack on depressions for another reason. They see a close relation between depressions and the danger of fascism. The misery and hopelessness of the German laboring masses constituted the background for the Nazi movement. Bruening, leader of the Catholic Center Party, more than any other German leader, was responsible for the victory of

Hitler. It was his deflation policy, his policy of steadily increased taxation and of reduced wages, his whole policy of "economy" which drove the masses into the arms of Hitler.

3. *The Necessity of an Alliance with the Farmers.* Furthermore, the thing that made the Hitler movement so powerful was the support of the farmers. One of the most outstanding weaknesses of the German Social Democracy was its failure to formulate and enact an adequate agrarian program. This fact, that the workers and farmers were split into two different camps, explains more than any other single factor why Hitler was able to gain power. Even more clearly this fact accounts for the defeat of the Austrian labor movement. The danger of the farmers turning fascist drew attention some time ago to the whole question of the relations between workers and farmers.

To avoid a repetition of the German and Austrian experience it is of course not enough to avoid a split. In order to get power, an actual alliance of workers with farmers is necessary. During the twenties, the Norwegian Labor Party discovered the fact that the number of industrial workers had not increased since the war, because of the many labor-saving devices and the technical inventions. This meant that if the Labor Party should, as hitherto, consider the industrial workers or even all wage-earners as its only basis, it would be very long before it could have a majority.

"Majority" in this connection does not mean only a "parliamentary majority." Fascism drew attention to the whole question of social forces in modern society. Recent developments showed three main groups in our economic setup: (1) the small group of leading capitalists together with the upper bourgeoisie; (2) the workers; and (3) the middle class. In Norway, because of its predominantly rural population, the overwhelming majority of the middle class consists of farmers only, and not, as in other countries, of farmers, on the one hand, and the urban middle class on the other. The conclusion Norwegian labor drew from what had happened in Germany and Austria was that if the other two classes were allied against it, labor would be defeated and that, since labor could gain power only in alliance with the farmers, that the labor movement must be transformed into one of workers *and* farmers.

It is not important in this connection to decide in what form the

final fight between labor and capital will be fought out—whether on a parliamentary basis, in the form of a labor insurrection, or as a fight against a fascist insurrection. In any form, the alliance of forces is significant.

The Norwegian Labor Party is, in this respect, in a happier situation than many other labor parties, because, even before the War it always had many farmers among its followers. Nevertheless, recently it has stressed more than ever the necessity of workers' and farmers' collaboration, and has paid much more attention than before to the needs and the demands of the farmers.

Alliance with the farmers in this respect does not mean a coalition government. In the whole post-War period, the Norwegian Labor Party has been opposed to coalition governments. It will not place itself in a government where it can be held responsible for the limiting activities of another party.

Collaboration with the Farmers' Party does not constitute a coalition. The Labor government made an agreement with the Farmers' Party in respect to the budgets of 1935 and 1936, acceding to some of the farmers' demands. In 1937, however, it made no such agreement. On non-economic questions, the Farmers' Party has voted against the Labor government, while on some of these questions, the Liberal Party has voted with it. The Norwegian Labor Party rejects the idea not only of a coalition government, but of a People's Front for Norway. The general view of Norwegian labor is that, in France, the People's Front was necessary, as there was no chance of the Socialist Party's taking office alone or having a majority within a reasonable future. If a conservative government had taken office in France we Norwegians believed, the same trend toward fascism would have developed in that country as in Germany. But Norwegian labor also realizes that to be obliged to form a People's Front is indicative of weakness. Therefore it rejects the People's Front policy in Norway, where the Labor Party itself is so strong that it can rally the workers and the farmers in *one* party, obtain a majority, and be in a position to carry out its policy.

For the same reasons, it rejects the "united front" with the Communist Party. It holds to the principle that, in Norway, again, as contrasted with France, there is room for only one Labor Party, the Communists having proved by the steady shrinkage in their num-



bers that they have no *raison d'être* in Norway. To adopt the policy of "united front" would be to accept also the split in the labor movement. The Norwegian Labor Party believes that not a "united front," but real unity of purpose can prevent a split in the movement.

4. *The Road to Power.* Before the War there was a deep rooted conviction among the left-wingers who are actually the leaders of the Party, that socialism could not be attained by parliamentary means but only through revolution. And the revolution was thought of in terms of a general strike and of insurrection. This view, confirmed by the Russian revolution, was dominant in the post-War period. The first reaction to fascism was to set up a Workers' Defense Organization, an organization which proved unsuccessful.

Later, however, many began to doubt the possibility of a victory for the workers in an armed fight against the government and the business interests. The defeat of the Austrian labor movement which had the most disciplined and best armed Workers' Defense Organization in Europe still further increased these doubts. Its leader, Julius Deutsch, stated clearly that if the labor movement out of power armed, it had to do it illegally. It is not only very difficult to train troops in secret but, what is more important, it is practically impossible to arm the workers with the same powerful weapons as their foes. They cannot possess cannons and airplanes, because they cannot afford them and because such arms cannot be kept secret. This view was confirmed by the insurrection in Spain in October, 1934. It led to the conviction that the struggle in Germany was lost not because the German workers did not fight, but because the German labor parties had not succeeded in enrolling the majority of the German people.

Thus the conclusion drawn from the study of the evolution and the victory of fascism in Germany and Austria was that the important thing was the mobilization of the majority of the masses behind the banner of labor and socialism. If labor really had the majority behind it, it would be so strong that it would be very difficult for the capitalist group successfully to fight it. When in power, labor would have the immense advantage of controlling the forces of the government.

5. *The Question of Democracy.* During the early part of the

post-War period, the Norwegian labor movement was in favor of the dictatorship of the proletariat. But from the very beginning, it criticized the Russian dictatorship as a dictatorship not of, but over, the proletariat. On the other hand, bourgeois democracy was considered wholly inadequate.

The rise of the fascist dictatorships made it necessary, however, to clarify this issue. It is a difficult tactic to fight dictatorship, if one is in favor of dictatorship of different color. But apart from these tactical considerations, the fate of the German working class showed that bourgeois democracy was not worthless as it had been considered to be. Thus we came to the conclusion that our aim should be—an aim, by the way, that was implicit in our earlier tactics—not to abolish democracy but to enlarge it from a political to an economic democracy. This tactic was necessary, moreover, as a means of making an alliance with the farmers. A Labor Party could not collaborate with this important group with the view later on of taking away the liberty of this section of society.

On the basis of all these considerations, the new policy of the Norwegian Labor Party was shaped. Under the new policy, the Norwegian Labor Party consider its most important tasks to be the fight against the depression and in behalf of the farmers. Already in 1932 the party put forward a program for fighting the depression. When the plan was voted down by the bourgeois parties in that year and again in 1933 and in 1934, the party came to the conclusion that it was necessary to take over the government if anything material was to be accomplished for the masses. The party further realized that it had to take care of the interests of the farmers, the fishermen and other groups of the labor population to a much larger extent than before. The wage-earners had their trade unions which could protect them in the economic field. But the farmers and fishermen could not so easily be protected by their own economic organizations. Their interests must be taken care of through parliamentary, through governmental action.

These were the reasons why the party in its 1933 convention decided to fight the coming election under the slogan: *Labor majority and labor government!* with the clear intention of taking over the government even if it did not obtain a majority at the elections.

The party's alliance with the farmers and the necessity for obtaining a large mass basis, naturally brought about an important change in the propaganda of the party and in the psychological approach to the masses. Party propagandists put aside the old rigid and difficult Marxist terminology and tried to present their ideas in plain, modern Norwegian. The party realized that it had to cast aside socialist abstractions and give the socialist ideas a concrete and practical expression by trying to show what socialism meant in practice to the various working groups of the nation. And in its campaigns it did much to make its whole propaganda more vivid and more effective, utilizing to a large extent, incidentally, the principles of modern advertising.

### *New Party Program*

THE new ideas of the Norwegian labor movement found their first expression in the revision of the party program at the 1933 convention. The program was divided into two parts, one containing the principles of the Labor Party and the other its program of action which attempted to give socialist principles a concrete and practical application to the actual conditions prevailing in Norway. The separate program of action was an indication of the change from a party of opposition to a party of construction.

The new economic policy of the Norwegian labor movement constitutes in fact a synthesis of the old reformist, gradualist view and of the revolutionary view, which previously characterized the party program. According to the so called "revolutionary" view, the party could introduce socialism only *after* it had gained power. In the meantime, it was its duty to fight for the daily interests of the workers. But it did not believe that through this daily struggle it could transform a capitalist society into a socialist society. In this traditional revolutionary view, the fight for socialism and the fight for the workers' daily interests *were two quite separate activities*.

In the new policy, these two activities have been merged together. This was the natural result of its analysis of the crisis. It was led to lay stress upon what was formerly considered a reformist activity, the fight against the depression. But its analysis clearly showed that this depression was a crisis in the capitalist system itself and that it could be solved only by reforms in the entire structure of the capitalist so-



ciety. Thus the fight for the most immediate interests of the workers—the fight against the depression—was inevitably tied up with the revolutionary task of changing the structure of society.

The whole program of action is based upon these ideas. It consists partly of demands covering the interests of the working masses in all fields, partly of demands for structural reforms, which will give the government a dominating control of the economic life and, at the same time, increase the controlling power of the people.

### *Socialization*

UNDER the influence of the Russian experience, the whole idea of socialization has been modified. It is no longer considered necessary to carry through immediate and complete socialization. It is sufficient as a first step to do as the Russians did in 1923, when they introduced the Nep, to keep “the most important commanding positions” in the hands of the labor government. The important thing is to make the “socialized sector” so strong that it can dominate the “private sector.” The plan is to let the government get complete control of the whole banking and credit system, including the insurance companies. The most important branches of large scale industry and some of the great forests will be socialized. The export and import trade will be made government monopolies. For the rest of the economic life, government regulation and control is considered sufficient.

It is very important to note again that the Norwegian Labor Party does not plan to socialize agriculture. Only the great estates with tillable, but not cultivated or badly cultivated areas, are to be taken over by the government and are to be divided and given to landless workers and farmers owning farms too small for profitable use. On the whole, the organization of agriculture is to be on a voluntary cooperative basis. It is certain that this type of agricultural program has played a great role in overcoming the fears of the farmers in joining the Labor Party.

Besides socialization, the Labor Party is urging a program for increasing the whole economic activity of the country. The movement believes that, in order to raise the standard of living of the people, economic activity has to be increased and enlarged. The program of action thus contains proposals for the development of the

shipbuilding, the iron and steel and the power industries, not as private but as government-controlled enterprises.

As for the future form of government, the program states that it is the task of labor to carry through at the earliest possible moment a new economic organization, based on complete industrial democracy, with workers' control in the plants and industries. The old organs of the government will not suffice for this task. On the basis of labor, the wage-earners, farmers and fishermen must therefore create new economic and constitutional organs, according to the new tasks and needs of the working people. These shall give scope both for active participation of the masses, and for personal initiative and responsibility. The foregoing indicates that Norwegian labor is attempting to transform the present day political democracy into an economic democracy, without abolishing the democratic rights of the working masses themselves.

Norwegian labor suffers from no illusions that it will some day without struggle awaken to discover socialism in Norway. It is certain that it will encounter a very strong opposition from the ruling class which will try by all means to hinder the fulfillment of labor's plans. But Norwegian labor has also been convinced that if it really has a majority of the organized workers and the farmers with it, it will be able to win over this opposition. Its program states that the bourgeoisie will not voluntarily abandon its power and "privileges." In the period of transition, it maintains, the party is ready to use all the means at the disposal of the working class to break the resistance of the bourgeoisie. But here also the question of mobilizing the masses will play a great role. Thus the platform states that the fascist danger is to be fought by measures against the depression and by increased propaganda.

### *Accomplishments of the Labor Government*

LABOR is now in control of the Norwegian government. What has a labor government been able to accomplish? In appraising its accomplishments, it is necessary to keep in mind that the labor government is a minority government, and is therefore not free to do all that it wants. It took office, however, because it felt that, if the depression was to continue through the

ineffectiveness of a bourgeois government, the fascist danger would increase in strength.

As a minority government, it has been able to carry through only some of the reforms proposed. But one must not forget that the government regards its whole budget policy as a means to increase state-control and state-regulation, as a step toward planned economy.

#### *A. Its Budget Policy*

Formerly the budget policy of the Labor Party was based on the old, liberal conception. That is, its principal task was to effect a more equitable distribution of the burdens of society and of the national income by its taxation policy. But today the labor government stresses the point that the budget is an expression of the increasing role of government in the economic life of the nation. From being administrative and social in its character, it has become more and more economic. Today it is considered the duty of the government not only to inaugurate great public works, but to step directly into fields which have hitherto been monopolized by private enterprise.

When the Labor government took office in March, 1935, the budget for the coming year was already prepared by the liberal government and the Labor government had to confine its efforts to putting through an additional budget. In this additional budget it made appropriations for public works, for aid to municipalities and the equalization of the municipal taxes;\* for relief, housing, assistance to fishermen in the form of grants for boats, implements, and the reduction of debts; for harbors and lighthouses; for the cultivation of non-cultivated land and other agricultural purposes; for the building of highways and railways; for the reduction of interest on loans, in certain cases where borrowers were in distress, and for other purposes.

The succeeding budget of the Labor government, a budget entirely prepared by it, gives a clearer picture of labor's policy. This budget provided for the increase in expenditures from 436.9 millions to 481.4 millions. (The original budget of the last liberal government was much below the 436.9 million figure.) The Labor government doubled the sums for public works, especially for the building of railways and highways.

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\*In Norway, most of the taxes are imposed by municipalities. They differ from one municipality to another. They were extremely high during the depression in those municipalities most severely hit.



## *B. Agriculture*

In its immediate agricultural program, the Labor government has concentrated its efforts upon raising the prices to the farmers for their products. The government guarantees the farmer a minimum price for his butter. It also grants him large sums for the development of new farms. This policy has led to the opening up of twice as many new farms as some years ago. This type of agricultural assistance is considered the most important point in labor's agricultural program and has proved very effective in absorbing the unemployed in the agricultural districts, as well as in creating new purchasing power. Since 1921 about 60,000 men and women have thus obtained steady employment. The government has also organized a bank which extends cheap credit to the farmer. It has sponsored likewise a long series of other minor measures to assist agriculture.

## *C. Industry*

The Labor government has also given considerable aid to manufacturing establishments in difficulty. The government guarantees the sums needed to increase production, as well as the capital necessary to build up new plants. It has founded a government-controlled industrial bank to finance the development of industries especially in new fields. Under the Labor government plants have been equipped for the manufacture of artificial silk and other products. The shipbuilding industry has been granted large sums to assist them in modernizing their plants.

## *D. Fisheries*

The government has guaranteed a minimum price on cod and has granted large sums for the purpose of reducing the indebtedness of the fishermen or of helping them to obtaining better equipment. The government bureau for the fisheries has been enlarged. The question of organizing the fishermen on a cooperative basis with government support is now under consideration.

## *E. Municipalities*

The Labor government has granted large sums to those municipalities which were most badly hit by the depression. The objects of these

subsidies were to lighten the burden of taxation, and to release funds for those social institutions which, in Norway, are mainly financed by the municipalities.

#### *F. Taxation*

These expenditures were financed by an increase of the income tax and of the property tax. But most important the government resorted to a completely new tax, a sales tax of 2 per cent. The Labor Party would have preferred loans to such a tax. But the Farmers' Party absolutely refused to increase the government debts and the Labor government was therefore forced to introduce the sales tax. The workers did not put up a very strenuous opposition to this tax, contending that they should make some sacrifice for their unemployed comrades. Norwegian labor also increasingly takes the view that, as long as the capitalist system exists, the burden of taxation will always be carried by the working people. The existing tax on bank deposits was changed to include all, instead of about 50 per cent, of the bank deposits.

#### *G. Social Legislation*

The Labor government succeeded in abolishing some of the anti-labor laws, those which protected the strikebreaker and hampered picketing, which tried to regulate the counting of the trade union strike votes and which excluded the unemployed from membership in the municipal councils. With regard to the fascist danger, the law which controls private possession of arms has been made much more severe.

Under the Labor government, laws have been enacted for the protection of the workers. National health insurance was extended to comprise the seamen in foreign trade formerly not so included. New insurance laws with regard to the crippled and the blind have been passed. More important, parliament enacted a new Old Age Insurance Act, which guarantees each needy Norwegian citizen an old age pension. The government materially improved the elementary schools in rural districts and increased the minimum period of instruction.

The next goal of the Labor government is an unemployment insurance act. At present the unemployed are supported, under the provisions of the Poor Law Administration Act, by the municipalities.



## *H. Structural Reforms in Government*

In all of its legislation, the Labor government has sought to strengthen the government's control over the economic system. When it has granted subsidies to new industries it has accompanied these grants with provision for some financial control over the plants benefited.

The government also controls 50 per cent of the capital of its newly founded industrial bank. Through such ownership, it is able to regulate to some extent the flow of investments.

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When one considers the accomplishments of the policy of the Labor government, one has to take into consideration that, during the period of the government's life, world conditions have greatly improved. In some Norwegian industries, production has increased to a higher level than ever before. The average increase is about 8-10 per cent. Unemployment has been reduced about 50 per cent from 150,000 during the winter and 100,000 during the summer, to between 50,000 and 75,000. Agricultural production has increased. The burden of debts on agriculture has been greatly reduced. Today the number of farms sold by foreclosure is insignificant. A few years ago, foreclosures had run each year into the thousands.

Improved conditions have also influenced the labor market. Practically all the groups of workers who renewed their wage agreements during the period of the Labor government were able to secure some increase in wages and better working conditions. It is therefore quite natural that the assessment of taxes shows that the income of the Norwegian people as a whole has increased about 5.5 per cent during the last year.

Politically, the result of this policy of the Labor government has been to strengthen enormously the position of the labor movement and the popularity of the Labor government. In the 1936 elections, the Labor Party voters increased by 23.4 per cent. An important part of this gain came from the farmers.

At the election in 1930, the Labor Party received 374,000 votes; in 1933, 500,000 and, in 1936, 617,000. At the same time the trade unions are stronger than ever before. These developments have greatly weakened the fascist movement.



The Labor government is so popular that many believed the Labor Party would get a majority in the last election. But its gains were counterbalanced by those of the bourgeois parties, especially of the conservative party, which frightened some of the middle class with the spectre of a bolshevist dictatorship. The larger vote of the Labor Party resulted in the gain of only one representative. The election, however, made clearer the main issue before the country, the issue of labor versus the capitalist class. The differences between the bourgeois parties, with the exception of the Farmers' Party, are no longer considered important.

That the Labor Party failed to secure a majority caused much disappointment, but only for a short time. Norwegian labor is carrying on along the same lines as during the last few years. It is determined to obtain a majority at the next election.

In addition to an extension of the reforms already instituted, the Labor Party proposes cooperative organization of the fisheries, further development of economic autarchy as a means of increasing employment and similar measures. A very important step in the direction of governmental control is the pending proposal for a revision of the trust laws, so that the government may not only, as at present, regulate prices and competition, but production as well. Still more important is the proposal for governmental control of the banking system and the nationalization of the insurance companies. This, however, will not be carried out until labor has a clear majority. Finally, there is under consideration a system by which every form of income not earned by personal labor will be heavily taxed.

Norwegian labor, though proud of its accomplishments, is under no illusions. The country is still capitalist and every step of labor's program will be opposed by the organized force of the capitalists. But, if Norwegian labor keeps and increases its gains, Norwegian capital cannot build a mass fascist movement, as in Germany, or use the army as in Spain. Finally, if the labor government is in power, big business will not be able to use the government machine against the masses.

The Labor Party still maintains that its primary task is not the enactment of single reforms, unrelated to the abolition of capitalism; not the "middle way," but the laying of the foundations of a socialist society.